KERN COUNTY ECONOMIC FORECAST

Kern County is located at the southern end of California's Central Valley, just north of Los Angeles County. Agriculture is a vital component of the Kern County economy, and total crop values consistently rank within the top five counties in the nation. Kern County has a population of 889,000 people and approximately 317,700 wage and salary jobs. In 2016, the per capita income was $37,653, and the average salary per worker was $58,003.

Kern County is a large producer of oil and natural gas. In recent years, the county has accounted for more than 70 percent of California's total oil production, and approximately 65 percent of the state's natural gas production.
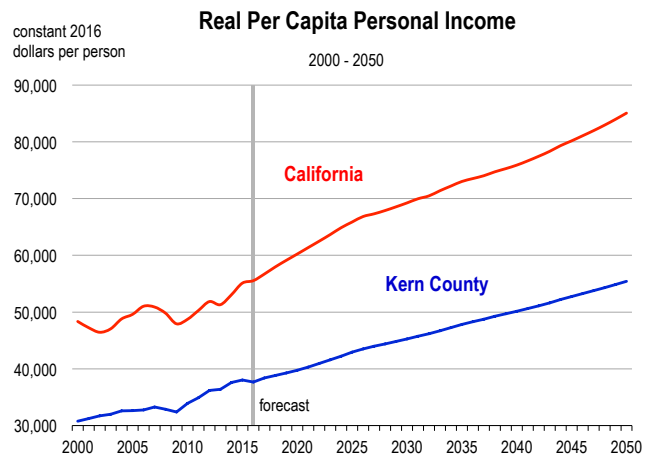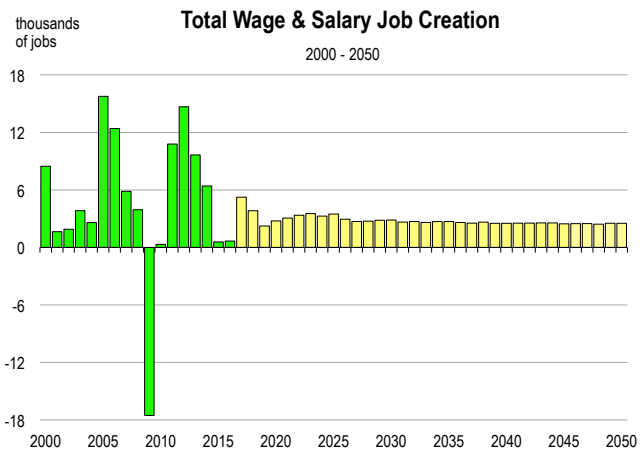
During 2016, employment across Southern California increased by 2.5 percent. Kern County gained 670 total wage and salary jobs, representing a growth rate of 0.2 percent. The unemployment rate deteriorated slightly, rising from 10.2 percent in 2015 to 10.4 percent in 2016.

In 2016, job gains were largest in agriculture (+2,500 jobs), government (+1,700 jobs), and education and healthcare (+1,300 jobs). The largest losses were observed in mining and natural resources (-2,500 jobs), construction (-2,000 jobs), information (-500 jobs), manufacturing (-500 jobs), and transportation and utilities (-500 jobs).

Between 2011 and 2016, the Kern County population grew at an annual average rate of 0.9 percent. All of this growth was due to the natural increase (new births), as net migration was negative.

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 1.7 percent in 2017, and by an annual average of 0.9 percent between 2017 and 2022.

- Between 2017 and 2022, job growth will be led by professional and business services, education and healthcare, leisure and hospitality, and agriculture. Together, these sectors are expected to account for 68 percent of net job creation in the county.

- Average salaries are currently well below the California state average, and will remain so over the forecast horizon. In Kern County, real average salaries will increase by 1.5 percent per year from 2017 to 2022.

- Population growth will remain low, averaging 0.7 percent per year from 2017 to 2022.

- Net migration will remain negative. Over the forecast period, an average of 1,900 net migrants are expected to leave the county each year.

- Between 2017 and 2022, an average of 2,200 housing permits will be issued each year. More than 12,000 new homes could

Total Wage & Salary Job Creation
2000 - 2050
thousands of jobs

Real Per Capita Personal Income
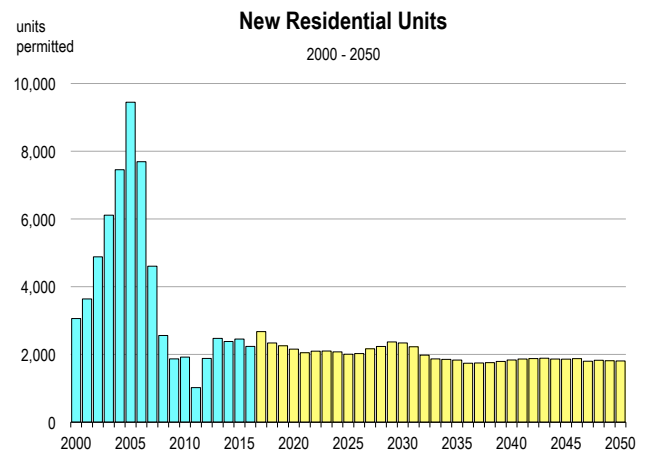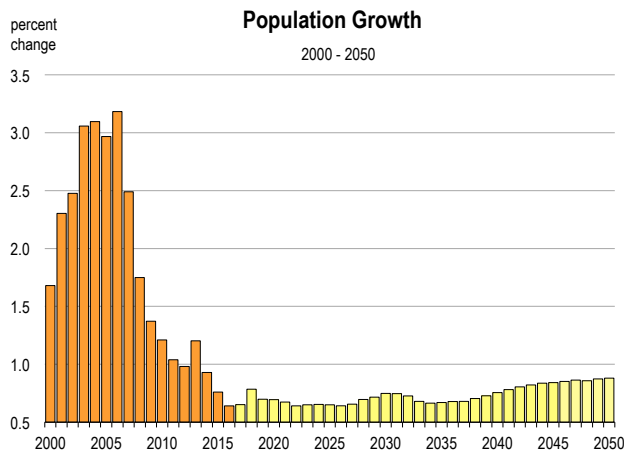2000 - 2050
constant 2016 dollars per person

be built at the base of the Grapevine over the next decade, and the first phase of construction could begin within the next few years.

- Real per capita income is expected to increase at a rate of 1.9 percent in 2017. Growth is expected to average 1.3 percent per year between 2017 and 2022.

- Total taxable sales, adjusted for inflation, are expected to increase by an average of 0.8 percent per year between 2017 and 2022.

- Industrial production has declined rapidly over the last few years, but will regain some ground in 2017. From 2017 to 2022, industrial production will grow by an average of 1.0 percent per year.

- Farm production is projected to increase by 2.0 percent per year between 2017 and 2022. The principal farm product in the county is the grape.

Kern County Economic Forecast
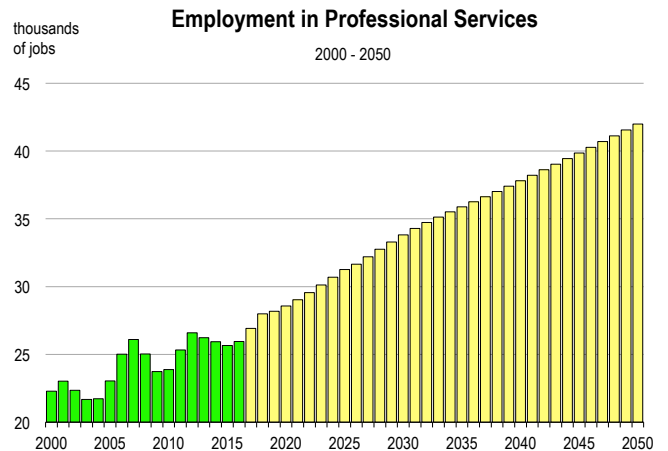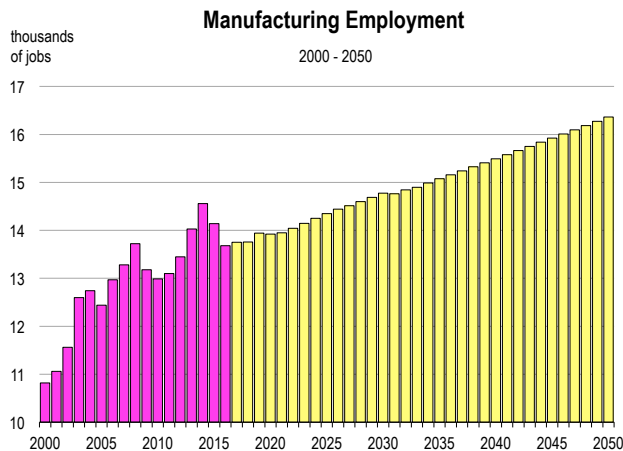## 2010-2016 History, 2017-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy-ment Rate (percent)
2010	841,189	529	681	254.6	1,920	$11.1	$25.8	$33,899	1.2	5.2	12.5	15.7
2011	849,934	-264	682	256.0	1,022	$13.7	$27.6	$34,926	2.7	6.0	14.4	14.8
2012	858,271	-639	688	257.6	1,884	$14.7	$29.5	$36,176	2.0	6.7	15.7	13.2
2013	868,594	1,549	708	259.4	2,472	$15.2	$30.3	$36,390	1.1	7.1	14.7	11.8
2014	876,668	-381	724	261.4	2,382	$15.7	$32.1	$37,597	1.4	7.8	13.7	10.4
2015	883,327	-1,509	738	263.4	2,454	$14.3	$33.0	$38,009	0.9	7.0	9.6	10.2
2016	888,994	-2,253	752	264.9	2,235	$13.9	$33.5	$37,653	1.9	6.7	7.9	10.4
2017	894,788	-2,134	762	266.6	2,674	$14.9	$35.3	$38,379	2.5	7.0	10.9	10.0
2018	901,812	-1,018	767	269.1	2,339	$15.7	$37.1	$38,833	2.7	7.1	10.0	10.0
2019	908,111	-1,863	772	271.3	2,256	$16.2	$38.8	$39,247	2.8	7.2	10.2	10.0
2020	914,421	-1,945	779	273.4	2,157	$16.8	$40.7	$39,747	2.9	7.3	11.0	10.0
2021	920,584	-2,188	786	275.4	2,051	$17.3	$42.7	$40,300	2.8	7.5	11.0	9.9
2022	926,487	-2,540	793	277.3	2,097	$17.9	$44.8	$40,945	3.0	7.7	11.4	9.8
2023	932,512	-2,497	801	279.2	2,102	$18.4	$47.0	$41,577	2.6	7.8	11.9	9.7
2024	938,607	-2,493	808	281.2	2,076	$19.0	$49.2	$42,238	2.5	8.0	12.2	9.6
2025	944,710	-2,545	817	283.1	2,007	$19.7	$51.5	$42,926	2.4	8.2	12.6	9.4
2026	950,772	-2,651	823	285.0	2,026	$20.3	$53.7	$43,508	2.3	8.4	12.9	9.2
2027	957,007	-2,520	829	286.8	2,167	$20.9	$56.0	$43,970	2.5	8.5	13.2	9.1
2028	963,672	-2,127	834	288.8	2,236	$21.6	$58.4	$44,379	2.7	8.6	13.6	9.1
2029	970,575	-1,933	839	290.9	2,370	$22.3	$60.7	$44,816	2.3	8.7	14.1	9.0
2030	977,841	-1,611	845	293.1	2,340	$23.0	$63.1	$45,270	2.1	8.9	14.5	8.9
2031	985,143	-1,620	851	295.3	2,227	$23.8	$65.6	$45,739	2.0	9.0	15.0	8.8
2032	992,304	-1,807	856	297.4	1,980	$24.6	$68.2	$46,171	2.1	9.1	15.4	8.7
2033	999,050	-2,260	862	299.2	1,869	$25.3	$70.7	$46,704	2.2	9.3	15.9	8.6
2034	1,005,690	-2,394	869	300.9	1,855	$26.1	$73.5	$47,263	2.3	9.4	16.4	8.5
2035	1,012,427	-2,319	875	302.6	1,835	$27.0	$76.5	$47,826	2.4	9.6	16.9	8.4
2036	1,019,296	-2,183	881	304.3	1,741	$27.8	$79.8	$48,307	2.3	9.7	17.5	8.2
2037	1,026,226	-2,128	886	306.0	1,749	$28.6	$83.3	$48,755	2.2	9.8	18.0	8.0
2038	1,033,455	-1,829	892	307.6	1,758	$29.5	$86.8	$49,246	2.1	10.0	18.6	7.8
2039	1,040,980	-1,539	898	309.2	1,794	$30.3	$90.6	$49,696	2.1	10.1	19.2	7.5
2040	1,048,846	-1,211	905	310.9	1,837	$31.2	$94.5	$50,142	2.3	10.2	19.8	7.3
2041	1,057,042	-900	911	312.6	1,866	$32.1	$98.4	$50,619	2.5	10.3	20.4	7.1
2042	1,065,552	-613	919	314.3	1,878	$32.9	$102.4	$51,118	2.3	10.5	21.1	6.9
2043	1,074,308	-386	926	316.1	1,889	$33.7	$106.6	$51,639	2.3	10.6	21.8	6.8
2044	1,083,300	-186	934	317.8	1,865	$34.6	$110.8	$52,205	2.2	10.8	22.5	6.6
2045	1,092,420	-87	942	319.5	1,862	$35.4	$115.3	$52,725	2.1	10.9	23.2	6.5
2046	1,101,729	68	950	321.3	1,877	$36.2	$119.9	$53,249	2.2	11.1	24.0	6.3
2047	1,111,244	226	958	323.0	1,800	$37.1	$124.6	$53,767	2.3	11.2	24.7	6.2
2048	1,120,778	202	966	324.7	1,829	$38.0	$129.5	$54,293	2.3	11.3	25.6	6.1
2049	1,130,571	423	974	326.4	1,815	$38.9	$134.7	$54,841	2.4	11.5	26.4	6.0
2050	1,140,526	549	983	328.1	1,809	$39.8	$140.1	$55,408	2.5	11.6	27.3	5.8

Population Growth
2000 - 2050

percent change

New Residential Units
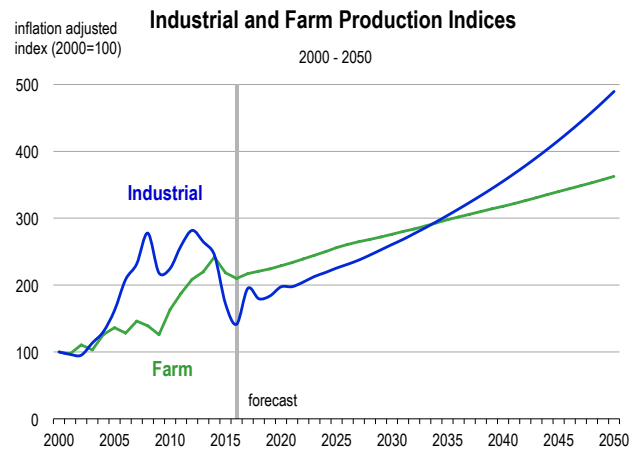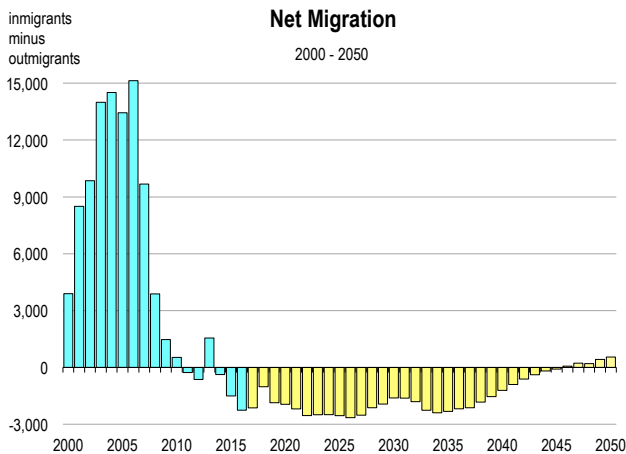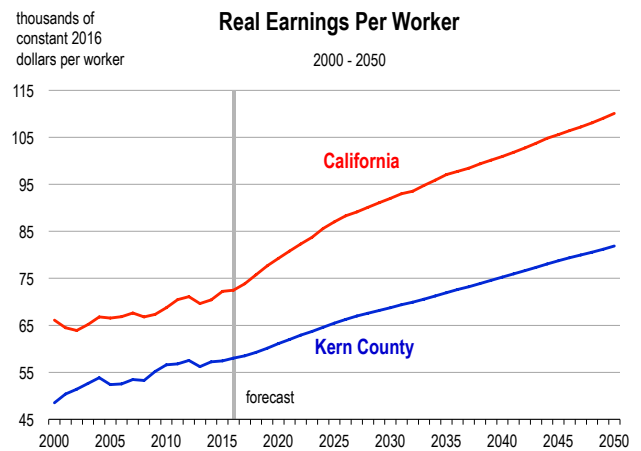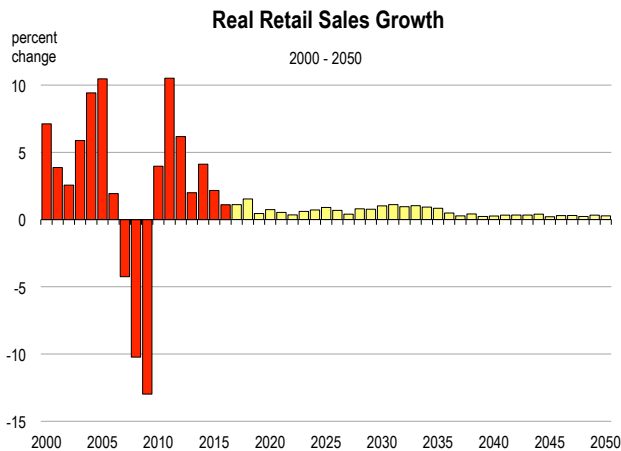2000 - 2050

units permitted

Kern County Employment Forecast
2010-2016 History, 2017-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
					-----------------employment (thousands of jobs)-----------------							
2010	274.9	44.58	12.7	13.0	8.4	33.9	8.2	23.9	2.7	29.6	20.5	60.6
2011	285.7	48.80	13.9	13.1	8.7	35.2	8.3	25.3	2.6	30.1	20.7	60.2
2012	300.4	54.38	16.7	13.5	9.1	36.3	8.7	26.6	2.7	31.5	21.6	58.8
2013	310.0	59.58	17.2	14.0	9.5	38.0	8.8	26.2	2.5	32.3	22.8	58.4
2014	316.4	60.08	18.2	14.6	9.8	39.7	8.7	25.9	2.4	32.6	23.7	59.7
2015	317.0	59.30	16.5	14.1	10.0	40.8	8.5	25.7	2.7	33.4	25.0	61.5
2016	317.7	61.79	14.4	13.7	9.5	41.6	8.3	26.0	2.2	34.7	25.3	63.2
2017	322.9	62.60	14.6	13.8	9.7	42.0	8.3	26.9	2.2	35.5	25.9	63.7
2018	326.7	63.01	14.8	13.8	9.9	42.4	8.4	28.0	2.2	36.2	26.3	63.9
2019	329.0	63.38	14.6	13.9	10.0	42.6	8.4	28.2	2.2	36.8	26.6	64.1
2020	331.7	63.87	14.6	13.9	10.0	42.9	8.5	28.6	2.2	37.5	27.1	64.4
2021	334.8	64.38	14.5	13.9	10.0	43.1	8.5	29.0	2.2	38.1	27.5	64.8
2022	338.2	64.94	14.5	14.0	10.1	43.3	8.6	29.6	2.2	38.8	28.0	65.2
2023	341.7	65.49	14.6	14.1	10.1	43.4	8.7	30.1	2.2	39.5	28.6	65.6
2024	345.0	66.03	14.7	14.3	10.1	43.6	8.7	30.7	2.2	40.2	28.9	66.0
2025	348.4	66.59	14.8	14.3	10.1	43.9	8.8	31.3	2.2	40.9	29.1	66.7
2026	351.4	67.05	14.8	14.4	10.2	44.1	8.8	31.7	2.2	41.6	29.3	67.3
2027	354.1	67.42	14.8	14.5	10.2	44.3	8.8	32.2	2.3	42.3	29.5	67.6
2028	356.8	67.74	14.9	14.6	10.2	44.5	8.9	32.8	2.3	43.0	29.7	67.9
2029	359.7	68.08	15.0	14.7	10.3	44.7	8.9	33.3	2.3	43.7	30.0	68.2
2030	362.5	68.43	15.1	14.8	10.3	45.0	9.0	33.8	2.3	44.4	30.3	68.5
2031	365.2	68.78	15.1	14.8	10.3	45.3	9.0	34.3	2.3	45.1	30.6	68.77
2032	367.9	69.10	15.1	14.8	10.4	45.6	9.0	34.7	2.3	45.9	30.9	69.0
2033	370.5	69.48	15.0	14.9	10.4	45.9	9.1	35.1	2.3	46.6	31.2	69.3
2034	373.2	69.88	15.0	15.0	10.4	46.1	9.1	35.5	2.3	47.4	31.5	69.6
2035	375.9	70.27	15.0	15.1	10.5	46.4	9.1	35.9	2.3	48.1	31.8	69.9
2036	378.5	70.61	15.0	15.2	10.5	46.7	9.1	36.3	2.3	48.8	32.0	70.1
2037	381.0	70.92	15.1	15.2	10.5	46.8	9.1	36.6	2.3	49.6	32.3	70.4
2038	383.7	71.25	15.2	15.3	10.6	47.0	9.2	37.0	2.3	50.3	32.6	70.7
2039	386.2	71.55	15.3	15.4	10.6	47.2	9.2	37.4	2.3	51.0	32.9	71.0
2040	388.7	71.85	15.4	15.5	10.7	47.3	9.2	37.8	2.3	51.7	33.2	71.3
2041	391.2	72.16	15.5	15.6	10.7	47.5	9.3	38.2	2.3	52.4	33.5	71.5
2042	393.8	72.48	15.6	15.7	10.7	47.6	9.3	38.6	2.3	53.0	33.8	71.8
2043	396.3	72.80	15.7	15.8	10.7	47.8	9.3	39.0	2.3	53.7	34.1	72.1
2044	398.9	73.15	15.8	15.8	10.8	47.9	9.4	39.4	2.3	54.4	34.4	72.5
2045	401.4	73.47	15.8	15.9	10.8	48.1	9.4	39.9	2.3	55.0	34.7	72.8
2046	403.8	73.79	15.9	16.0	10.8	48.2	9.4	40.3	2.3	55.6	35.0	73.1
2047	406.3	74.10	16.0	16.1	10.9	48.4	9.5	40.7	2.3	56.3	35.3	73.4
2048	408.8	74.41	16.0	16.2	10.9	48.5	9.5	41.1	2.3	56.9	35.6	73.7
2049	411.3	74.73	16.1	16.3	10.9	48.7	9.6	41.6	2.3	57.5	35.9	74.0
2050	413.8	75.05	16.1	16.4	10.9	48.8	9.6	42.0	2.3	58.2	36.2	74.3

Manufacturing Employment

thousands of jobs

2000 - 2050

Employment in Professional Services

thousands of jobs

2000 - 2050

59

Real Retail Sales Growth

percent change

2000 - 2050

Real Earnings Per Worker

thousands of constant 2016 dollars per worker

2000 - 2050

California

Kern County

forecast

Net Migration

inmigrants minus outmigrants

2000 - 2050

Industrial and Farm Production Indices

inflation adjusted index (2000=100)

2000 - 2050

Industrial

Farm

forecast

County Economic and Demographic Indicators

Projected Economic Growth (2017-2022)

Expected retail sales growth:	3.6%
Expected job growth:	4.7%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	10.5%

Expected population growth:	3.5%
Net migration to account for:	0%
Expected growth in number of vehicles:	4.2%

Demographics (2017)

Unemployment rate (April 2017):	9.5%
County rank* in California (58 counties):	51st
Working age (16-64) population:	63.5%

Population with B.A. or higher:	15.1%
Median home selling price (2016):	$207,000
Median household income:	$50,759

Quality of Life

Violent crime rate (2015):	536 per 100,000 persons
County rank* in California (58 counties):	46th
Average commute time to work (2017):	26 minutes

High school drop out rate (2016):	9.8%
Households at/below poverty line (2017):	19.8%

* The county ranked 1st corresponds to the lowest rate in California